

# Defense Business Transformation

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Priority Projects

# Agenda

- **BTA Overview**
- **Transformation Strategy**
- **Highlights & Accomplishments**

**“We are focused on change and driven by our responsibility and accountability to the men and women of our Armed Forces who protect this great nation.”**

**Gordon R. England  
U.S. Deputy Secretary of Defense  
September 16, 2005**

# Business Transformation Agency

## Defense Business Systems Management Committee (DBSMC):

- Chartered in February 2005 to oversee business transformation and to ensure that it meets the business needs and priorities of the Warfighter are met.

## Defense Business Transformation Agency (BTA):

- Established by DBSMC in October 2005 to advance defense-wide business transformation
- Currently, jointly directed by DUSD (Business Transformation) and DUSD (Financial Management), reporting to USD(AT&L)
- Defense Business Systems Acquisition Executive (DBSAE) appointed

# DoD Business Transformation

*“Transform business operations to achieve improved warfighter support while enabling financial accountability across the Department of Defense.”*

*- Mission statement*

## **Strategic Objectives for DoD Business Transformation:**

- Support for Joint Warfighting capability
- Better information for strategic resourcing decisions
- Reduced cost of business operations
- Improved stewardship to the American people

# Principles to Guide Transformation

- **DoD Business Enterprise Clarity:** The corporate level requirements for business execution at DoD.
- **Horizontal Business Transformation Focus:** Optimizing end-to-end processes, not policy office stovepipes.
- **Business Alignment to Warfighter Needs:** Aligning to the mission of the Department, and using this alignment to drive urgency.
- **Capabilities, not Systems, as Deliverables:** Systems follow business requirements – setting expectations.
- **Accountability:** Establishment of the BTA to unify our efforts (resources, funding, leadership) for DoD-level business transformation.

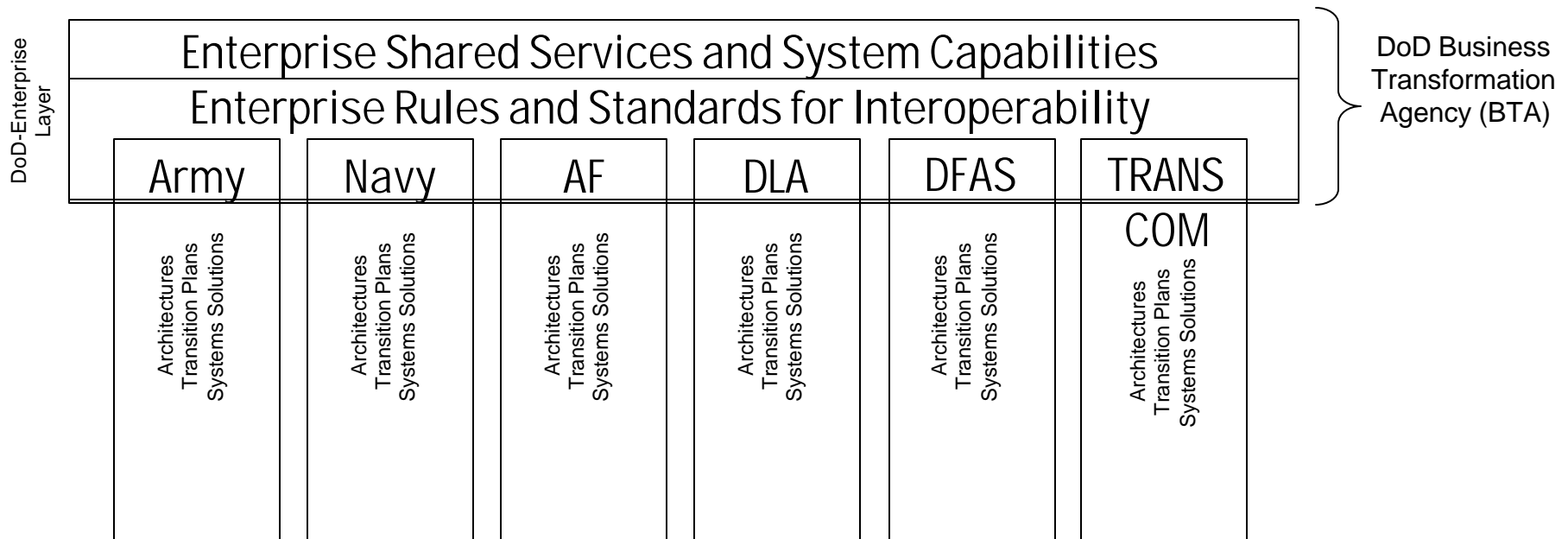
# Organizational Responsibilities

- **Establishing Priorities** – Support the Defense Business System Management Committee (DBSMC) and Personal Staff Assistants (PSAs) in their efforts to define Department-wide business transformation goals and objectives.
- **Investment Control** – Support the Investment Review Board / certification process which optimizes investments and ensures statutory compliance.
- **Transformation Tools** – Assemble and integrate the Business Enterprise Architecture (BEA) and Enterprise Transition Plan (ETP).
- **Program Execution** – Provide program management discipline delivering the “thin” layer of “corporate” services to the Department.
- **Tactical Business Support** – Bridge the gap between business and the warfighter.

# Transformation Strategy



# Tiered Accountability



The DoD Enterprise layer provides the thin “backbone” layer of common services required for full Departmental interoperability – the “corporate requirements” for business operations.

Components design and implement their own solutions within the framework of DoD Enterprise rules and standards.

We have established the Defense Business Transformation Agency to execute DoD Enterprise-level transformation and established an initial set of Business Enterprise Priorities.

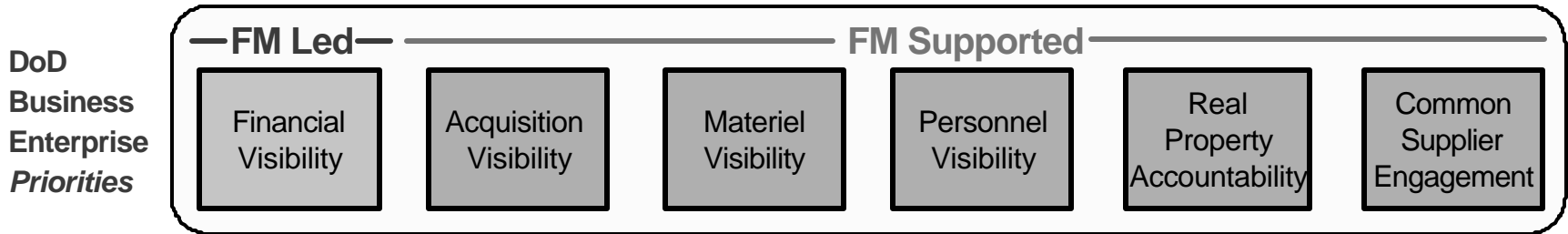
# Core Business Missions



# Missions Drive Outcome Based Priorities



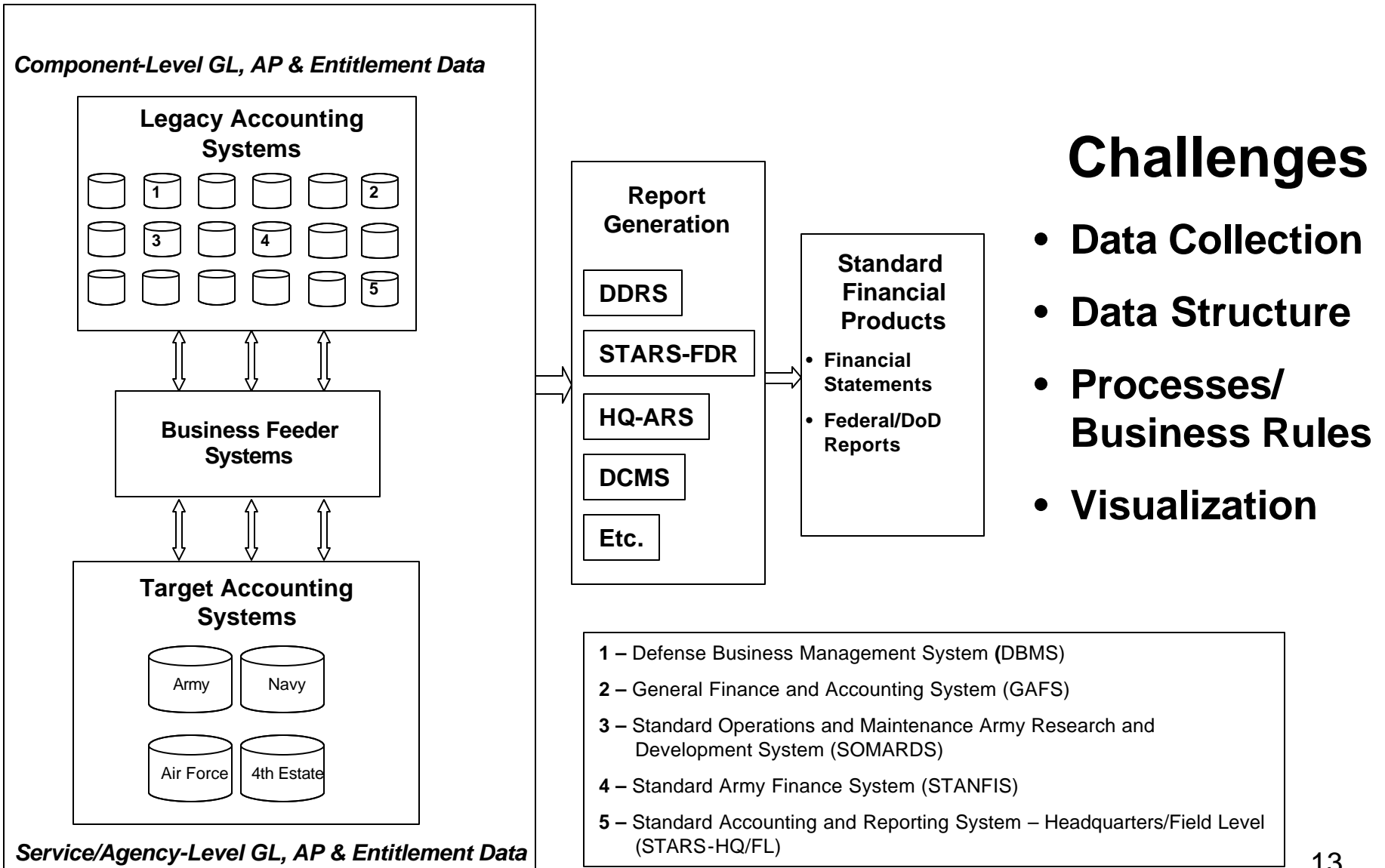
# Financial Visibility



## **Financial Visibility is defined as:**

Having immediate access to accurate and reliable financial information (planning, programming, budgeting, accounting, and cost information) in support of financial accountability and efficient and effective decision-making throughout the Department in support of the missions of the Warfighter.

# Challenges for Financial Visibility



# Challenges for Financial Visibility

- **Data Structure**
  - **Services have unique fiscal codes**

## AIR FORCE OPERATIONS AND MAINTENANCE

DEPT	FY	APPR SYM	FC	FY	AC	OBAN	RC/CC	BA	EEIC	ADSN	ESP	PE	RCC
57	6	3400	30	6	47	5A	110704	04	582.AA	503000	AB	72806F	

## ARMY OPERATIONS AND MAINTENANCE

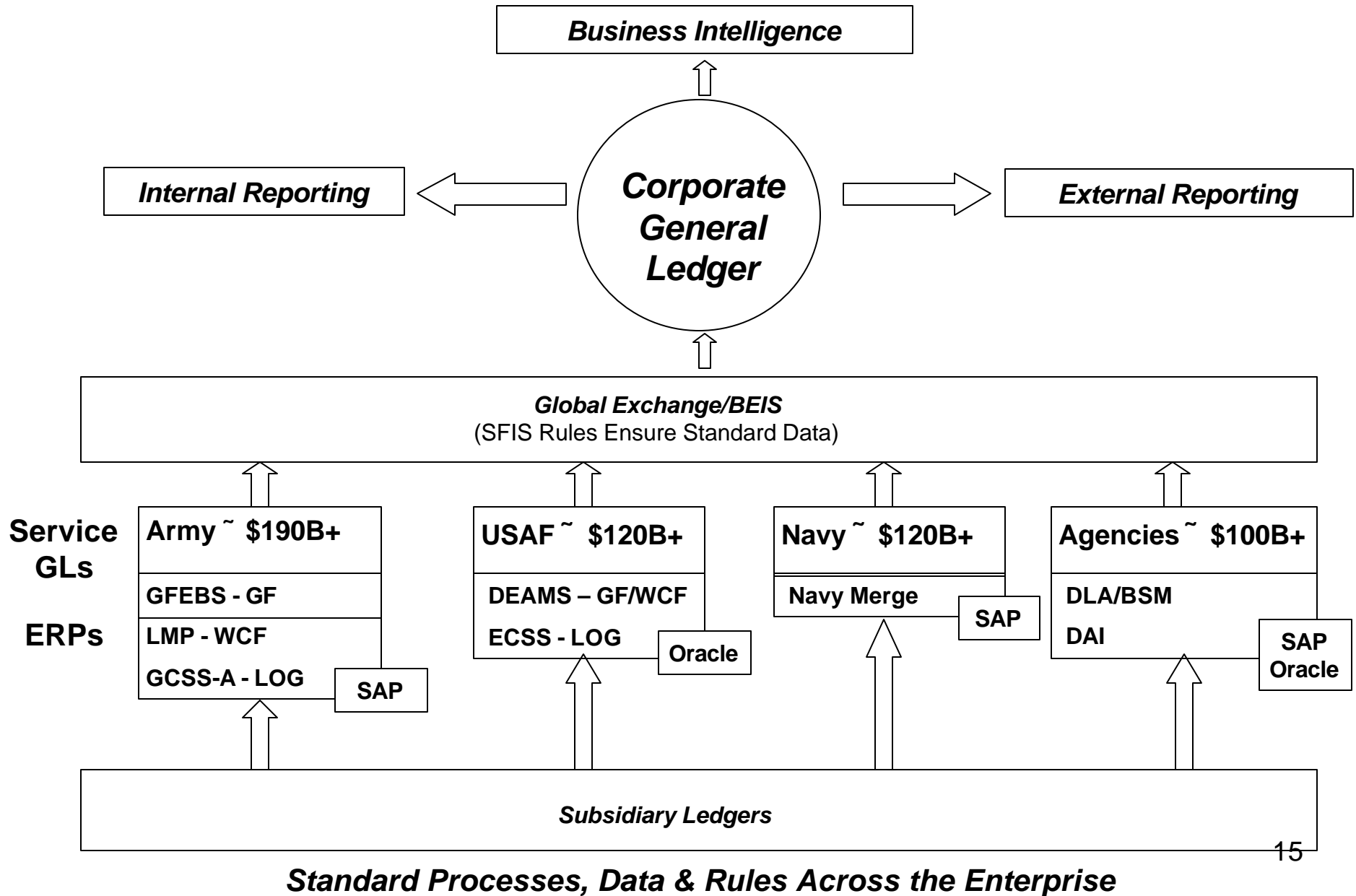
DEPT	FY	BSN	OA	ASN	AMSCO	EOB	MDEP	FCA	SDN	APC	UIC	FSN
21	6	2020	57	1106	325796.BD	263B	OSUP	CA200	GRE12340109003	AB22	W0RNAA	S34030

## NAVY/MARINE CORPS - GENERAL

DEPT	FY	APPN	SUBHEAD	OC	BCN	SUBALLOT	AAA	TTC	PAA	CC
17	7	1105	0000	026	63400	3	063340	1D	000151	00560852000

- **Process Standardization**
  - Air Force and Army have standard month/year-end process business rules internal to their Services
  - Air Force and Army have transaction-level closings, but general ledger is a crosswalk derivation
  - Navy has general ledger by organization (locally) but no Service-level standards for closing
  - Working Capital Fund business rules vary by fund type

# The Road Ahead



# Business Enterprise Information Services

## Definition

- An enterprise-level general ledger, financial reporting, and business intelligence capability

## Benefits

- Single source for enterprise-wide financial visibility yielding significantly greater access to timely, accurate, and reliable financial information
- Reconcilable accounting entries to source documentation (audit trails)
- Standardized SFIS consistency & compliance with the USSGL
- Automatically produced a trial balance from transaction-level data
- All budget and execution reports and financial statements will be produced from the same trial balance, eliminating the possibility of discrepancies

## Key Accomplishments

- Completed crosswalk of Marine Corps accounting data to SFIS format
- Established authoritative data source for SFIS data elements on internet
- Now Delivering capital equipment transaction data from accounting systems to DoD-wide military equipment valuation system to improve auditability
- Provides an authoritative data source for DoD-wide business intelligence



# Highlights & Next Steps

# FY05/06 Highlights

- ✓ DoD Senior leaders actively guiding DoD-wide business transformation
- ✓ BTA established to integrate transformation efforts and deliver enterprise capabilities
- ✓ DoD updates blueprint (BEA) and roadmap (ETP) for business transformation
- ✓ IRBs provide close scrutiny of DoD business system investments
- ✓ DoD established milestones for Enterprise and Component transformational programs (and meets 75% of target)
- ✓ DoD makes measurable progress toward capability improvements to support warfighters and decision-makers
- ✓ Established Enterprise Integration Directorate to *create an “ERP center of excellence” capability within the BTA*

# FY06/07 Next Steps

- **Drive Program Implementation**
  - Migrate Enterprise programs to DBSAE to provide better, more coordinated and efficient management
  - Assist Components in the accelerated deployment of Enterprise requirements (focusing on large-scale transformation efforts)
- **Measure Transformation Progress**
- **Continue to Develop and Extend the BEA**
- **Update and Integrate Transition Plans**
- **Refine System Certification Process**
  - Focus on improving and integrating management data for architecture, transition planning, and investment review
- **Implement FIAR Plan**
  - Integrate more tightly with ETP
- **Address Government Accountability Office (GAO) Recommendations**

# Websites

**[www.dod.mil/bta](http://www.dod.mil/bta)**

**Information on the BTA  
and current news.**

**[www.dod.mil/dbt](http://www.dod.mil/dbt)**

**Information and updates  
on all Defense Business  
Transformation efforts.**